

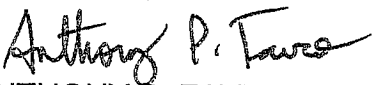
Memorandum

To: DEL WALTERS, Director
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Date: February 17, 2010

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From: 
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Subject: Voyager Audit Follow-Up

As a follow-up to an internal audit of the Department's Voyager Card Program completed in April 2008, the Office of Program Accountability (OPA) has asked the programs that responded to the initial audit to provide an update to the corrective action plans they developed. Following is a summary of the corrective actions taken in response to this audit:

Finding 1: Of the 2,952 Voyager cards issued by CAL FIRE, 691 (23%) are "all vehicle" cards that can be used in any vehicle. This presents a high risk of fraud or misuse.

Recommendations: OPA recommended that CAL FIRE strengthen controls over the use of "all vehicle" Voyager cards by reducing the number of "all vehicle" cards in use; evaluating the need for "all vehicle" cards for each employee in a unit; establishing limits on the number of cards per unit and how those cards are used; requiring a substantiation for all-vehicle card requests; developing procedures addressing use of the "all vehicle" cards; and updating the handbook sections addressing the proper use.

Corrective Actions: In Headquarters, CAL FIRE's Management Services Division reduced the number of regular vehicle gas cards provided to staff on an ongoing basis and worked with the Mobile Equipment Management Unit to convert over to assignment emergency vehicle cards that are checked out for an incident and returned after the incident work is over.

In the field, the number of "all vehicle" Voyager cards in Units, Camps, and Region Offices have been reduced as well. Excess cards have been cancelled, and the majority of fuel credit cards in all offices are now assigned to specific vehicles. "All Vehicle" cards are no longer issued to employees; they are used in temporary measures in absence of a card tied to a specific vehicle.

Finding 2: There is a lack of control over Voyager card issuance and tracking, which is handled in a distributed fashion. Each program or unit distributes and tracks its own cards with very little guidance.

Recommendations: OPA recommended that CAL FIRE update and strengthen existing policy over the Voyager program to address card issuance, tracking, and monitoring and to establish accountability at each level for the proper use of the card. OPA further recommended that the Department use the U.S. Bank Fleet Commander system on a consistent basis, that responsible employees attend annual training offered by the Department of General Services (DGS) on the use of this system, that CAL FIRE work with U.S. Bank to design customized database controls that will assist in card tracking and usage; that a Voyager working group be established to oversee the policy creation, dissemination, and implementation of better controls, and that accountability at the unit level rest with the unit Administrative Officer (AO) rather than the Forestry Equipment Manager (FEMs) or clerical staff.

Corrective Actions: Management Services makes regular checks on the use of cards assigned to its area, and has pulled back all all-vehicle cards until the protocol and form for all-vehicle use is finalized with Mobile Equipment Management. In addition, Management Services has reduced the number of regular vehicle gas cards provided to staff and set up emergency vehicle cards as described in Finding 1 above.

Northern Region units have an inventory of the cards issued to their program or area and are responsible for tracking the issuance of these cards. 77% of all cards are assigned to a specific vehicle. In addition, in June 2008, CAL FIRE finalized new policy and procedures that addresses card issuance, tracking, monitoring, and accountability. The Northern Region has used Fleet Commander with consistent success in the past, but current clerical staff is not using the program today. The Region anticipates rolling out new training and using Fleet Commander again.

The Northern Region has also established contacts with staff at U.S. Bank and Voyager representatives to design customized database controls that assist in card tracking and usage, and care has been taken to audit inventories, ensure correct numbers, etc.

The Northern Region believes that accountability for Voyager cards should rest with the unit FEMS rather than the unit AOs. FEMs manage much larger budgets than those used to support the Voyager program in each unit. In addition, most unit FEMs are in close contact with unit AOs; both FEMs and AOs monitor all expenditures in assigned budgets, and inventory control, issuance, disposal, and review are more closely associated with FEMs than AOs.

The Southern Region agrees with the finding that a written policy and procedures manual, along with Fleet Commander Training, is necessary.

Finding 3: Voyager fuel card billing statements are paid without adequate review; the statements are sent directly from the bank to the CAL FIRE Departmental Accounting

Office (DAO). The statements are given a cursory review and paid as soon as possible in order to meet U.S. Bank payment deadlines.

Recommendations: OPA recommended that cardholders be required to retain gasoline receipts so that they can be audited; that approving officials be required to sign off/approve monthly charges for each of their cardholders, even if it is after payment has been made; that access to the fleet anywhere program be obtained for all administrators and units; that Voyager card administrators attend annual training at DGS; and that CAL FIRE management work with U.S. Bank customer service to build in improvements in automated monitoring of card usage.

Corrective Actions: No action has been taken to require cardholders to retain gasoline receipts for audit purposes. Management Services believes that decentralized management and financial officers have a fiduciary duty to review the records produced for their financial activities regularly. This relationship relies on the program and field to identify for DAO errors in billing. If not, DAO assumes that after distribution of billing information, the data is correct absent notice of otherwise from recipients. Management Services further defers to Mobile Equipment Management to work with DGS and U.S. Bank on how to enhance system changes as recommended.

The Northern Region requires its approving officials to review statements, and triggers or unusual purchases are followed up on cases where required. Regarding Fleet Anywhere, CAL FIRE is currently considering several automated programs for adoption. Finally, the Northern Region has not taken any action on automated monitoring of card usage. Review of statements is current practice, and incidents of abuse are rare. While there is a benefit to improving monitoring methods, fuel cards rarely, if ever, leave the agency vehicle. The connection of the card to the vehicle rather than the employee limits access to the card, thus reducing the opportunity to utilize a Voyager card for other than its intended purpose.

The Southern Region agrees with the recommendations of this finding and believes that they should be included in the written policy and procedures manual. The Southern Region does note that the sign off/approval method recommended may be quite tedious under the current point of use dispensing equipment fueling stations.

Finding 4: Voyager fuel cards are routinely used to refuel rental vehicles, a violation of DGS policy. In 2007, CAL FIRE requested and received an exemption from DGS policy, which applies to car rentals used on emergency incidents only. For car rentals rented on routine business, the exemption does not apply.

Recommendations: OPA recommended that commercial rental vehicles be refueled by employees before car return and the expense claimed on a travel expense claim with receipt attached, except when rented during an emergency incident, when a Voyager fuel card may be used. OPA further recommended that CAL FIRE update its handbooks regarding the exception received from DGS on rental car use during emergency incidents and carefully monitor the use of the exemption compliance.

Corrective Actions: CAL FIRE has created official policy detailing the accepted use of the Voyager fuel card. Voyager cards are to be used with commercial vehicles on emergency incidents only. The creation of an "emergency Voyager card" for use on incidents while operating commercial vehicles has been adopted. Any such instances when discovered are addressed through the Department discipline process.

After reviewing the above updates provided by Management Services and the Northern and Southern Regions, OPA is pleased to note that the Department has made progress toward addressing the findings of the 2008 Voyager Card Audit. We are grateful for the cooperation and assistance extended by staff during this review. The information received from all of the individuals involved helped us to identify needed process improvements in the use of this card. We appreciate their willingness to develop and implement corrective actions to address report findings. We encourage the development of a process to ensure that all charges are adequately reviewed at all locations.

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cc: Tom Lutzenberger
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